

Company Registration No. 11840336 (England and Wales)

PROJECT PHOENIX BIDCO LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
30 APRIL 2020

PROJECT PHOENIX BIDCO LIMITED

COMPANY INFORMATION

Directors	N J Boyd M Salter A J Parish A J Young P J C Francis M Thompson M Cross A Tupman T J Aldred
Secretary	B Ramsdale
Company number	11840336
Registered office	8th Floor City Place House 55 Basinghall Street London EC2V 5DU England
Auditor	RSM UK Audit LLP Chartered Accountants Davidson House Forbury Square Reading Berkshire RG1 3EU

PROJECT PHOENIX BIDCO LIMITED

CONTENTS

	Page
Strategic report	1 - 2
Directors' report	3 - 4
Directors' responsibilities statement	5
Independent auditor's report	6 - 7
Statement of comprehensive income	8
Statement of financial position	9
Statement of changes in equity	10
Notes to the financial statements	11 - 20

PROJECT PHOENIX BIDCO LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 30 APRIL 2020

The directors present the strategic report for the period ended 30 April 2020.

Fair review of the business

The company is an intermediate holding company. During the period the company arranged bank loans and loan notes with investors that enabled it to provide intergroup funding to group entities and to acquire 100% of the issued share capital of the following companies:

- Connect Managed Holdings Limited
- G3 Holdings Limited

The carrying value of the company's investment in its subsidiaries at the end of the period was £30,914,000. No impairment charge is required this year.

Going concern

As at 30 April 2020, the company had net current assets of £17,419,000 and net liabilities of £2,522,000. The company reported a loss after taxation for the financial period of £2,522,000. The net liabilities position as at 30 April 2020 arose as a result of the borrowing detailed above.

As a result of the net current assets position the directors are confident that the company can meet its liabilities as they fall due, the financial statements have therefore been produced on a going concern basis. There is no material impact on the company as a result COVID-19 given the company is an intermediate holding company with no external trade.

Covid-19

On 11 March 2020, the World Health Organisation declared the Coronavirus outbreak (COVID-19) a pandemic. Following this, the United Kingdom entered into a government-imposed lockdown on 23 March 2020 to help contain the coronavirus pandemic and seek to prevent further fatalities, which it returned to on 5 November 2020 after restrictions had been slowly lifted in the period between these dates. The directors do not expect there to be any direct impact on the company itself with the most significant impact of this pandemic on the company's indirectly wholly owned trading subsidiary, Connect Managed Services (UK) Limited. It is not possible to quantify precisely the potential impacts of this, as disruption to the global economy on this scale has not been seen in recent history.

At the date of approval of the financial statements there remains uncertainty in relation to the future impact that the Covid-19 pandemic will have on the Global economy, and on the company as a consequence. The Board have considered the assessment carried out by the directors of Connect Managed Services (UK) Limited ("CMS") and the actions taken by the board of CMS and are monitoring the evolving situation very closely.

Principal risks and uncertainties

As a holding company, the results of the company are subject to a number of risks. The principal risks and uncertainties affecting the company are related to its investments. The company is exposed to the risk of deterioration in business performance in its group undertakings which may have an adverse effect on the value of the company's investments.

Future developments

The directors are not, at the date of this report, aware of any major changes in the company's activities in the next year.

PROJECT PHOENIX BIDCO LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 30 APRIL 2020

Financial risk management

The company makes little use of financial instruments so its exposure to price risk, credit risk, liquidity risk and cash flow risk is not material for the assessment of the assets, liabilities and financial position of the company.

On behalf of the board



.....
A Tupman
Director

Date:16/11/20.....

PROJECT PHOENIX BIDCO LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 30 APRIL 2020

The directors present their annual report and financial statements for the period ended 30 April 2020.

Principal activities

The company was incorporated on 21 February 2019.

The principal activity of the company is that of an intermediate holding company for the Connect Managed Services group of companies which provide manager Customer Experience (CX) and Unified Communications (UC) services and the G3 Holdings group of companies.

Directors

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

N J Boyd	(Appointed 21 February 2019)
M Salter	(Appointed 21 February 2019)
A J Parish	(Appointed 20 March 2019)
J N Arnold-Roberts	(Appointed 20 March 2019 and resigned 11 November 2019)
A J Young	(Appointed 20 March 2019)
P J C Francis	(Appointed 20 March 2019)
M Thompson	(Appointed 8 May 2019)
M Cross	(Appointed 2 July 2019)
A Tupman	(Appointed 2 July 2019)
A K Shah	(Appointed 2 July 2019 and resigned 15 November 2019)
T J Alldred	(Appointed 28 April 2020)

Results and dividends

The results for the period are set out on page 8.

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the period. These provisions remain in force at the reporting date.

Auditor

RSM UK Audit LLP were appointed as auditor to the company in the period and are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of financial instruments and future developments.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

PROJECT PHOENIX BIDCO LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 30 APRIL 2020

On behalf of the board


.....
A Tupman
Director

Date: 16/4/20

PROJECT PHOENIX BIDCO LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE PERIOD ENDED 30 APRIL 2020

The directors are responsible for preparing the Strategic Report and the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROJECT PHOENIX BIDCO LIMITED

Opinion

We have audited the financial statements of Project Phoenix Bidco Limited (the 'company') for the period ended 30 April 2020 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2020 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROJECT PHOENIX BIDCO LIMITED (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

Perry Linton FCA (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Davidson House
Forbury Square
Reading
Berkshire, RG1 3EU
16 November 2020

PROJECT PHOENIX BIDCO LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 APRIL 2020

	Notes	Period ended 30 April 2020 £000
Turnover	3	988
Administrative expenses		(1,169)
Operating loss		(181)
Interest receivable and similar income	7	1,651
Interest payable and similar expenses	8	(3,992)
Loss before taxation		(2,522)
Tax on loss	9	-
Loss for the financial period		(2,522)

PROJECT PHOENIX BIDCO LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 30 APRIL 2020**

	Notes	2020	
		£000	£000
Fixed assets			
Investments	10		30,914
Current assets			
Debtors	12	21,966	
Creditors: amounts falling due within one year	13	<u>(4,547)</u>	
Net current assets			<u>17,419</u>
Total assets less current liabilities			<u>48,333</u>
Creditors: amounts falling due after more than one year	14		(50,855)
Net liabilities			<u><u>(2,522)</u></u>
Capital and reserves			
Profit and loss reserves	18		<u><u>(2,522)</u></u>

The financial statements were approved by the board of directors and authorised for issue on 16/11/20
and are signed on its behalf by:


.....
P J C Francis
Director

PROJECT PHOENIX BIDCO LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 APRIL 2020

		Share capital	Profit and loss reserves	Total
		£000	£000	£000
Period ended 30 April 2020:				
Loss and total comprehensive income for the period		-	(2,522)	(2,522)
Issue of share capital	17	-	-	-
		_____	_____	_____
Balance at 30 April 2020		-	(2,522)	(2,522)
		=====	=====	=====

PROJECT PHOENIX BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 APRIL 2020

1 Accounting policies

Company information

Project Phoenix Bidco Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is 8th Floor, City Place House, 55 Basinghall Street, London, England, EC2V 5DU.

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium sized Companies and Group (Accounts and Reports) Regulations 2008.

The financial statements have been prepared with the adoption of the FRS 102 Triennial Review 2017 amendments in full. This is the first set of financial statements where the Triennial Review amendments have been adopted.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1,000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated financial statements. The financial statements present information about the company as an individual entity and not about its group.

The financial statements of the company are consolidated in the financial statements of Project Phoenix TopCo Limited. These consolidated financial statements are available from its registered office, 8th Floor, City Place House, 55 Basinghall Street, London, England, EC2V 5DU.

Going concern

As at 30 April 2020, the company had net current assets of £17,419,000 and net liabilities of £2,522,000. The company also reported a loss after taxation for the financial period of £2,522,000. The net liabilities as at 30 April 2020 arose as a result of borrowings in the period.

As a result of the net current assets position the directors are confident that the company can meet its liabilities as they fall due, the financial statements have therefore been produced on a going concern basis. There is no material impact on the company as a result COVID-19 given the company is an intermediate holding company with no external trade.

PROJECT PHOENIX BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 APRIL 2020

1 Accounting policies (Continued)

Reporting period

The company presents its financial statements for the 14 month period ended 30 April 2020 from the date of incorporation on 21 February 2019. The accounting period was extended so as to align with the wider group. As this is the company's first set of financial statements no comparable information is presented.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include other debtors and amounts owed by group undertakings, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including other creditors, bank loans and amounts owed to group undertakings, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of transaction costs.

PROJECT PHOENIX BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 APRIL 2020

1 Accounting policies (Continued)

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Indicators of impairment in investments

Management exercise judgement in determining indicators of impairment of the company's investments in subsidiary undertakings. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the assets.

PROJECT PHOENIX BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 APRIL 2020

3 Turnover and other revenue

2020
£000

Turnover analysed by class of business

Management recharges

988

2020
£000

Other revenue

Interest income

1,651

2020
£000

Turnover analysed by geographical market

UK

988

4 Employees

The company had no employees during the period, excluding directors.

Their aggregate remuneration comprised:

2020
£000

Wages and salaries

932

Pension costs

9

941

PROJECT PHOENIX BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 APRIL 2020

5 Directors' remuneration

	2020 £000
Remuneration for qualifying services	932
Company pension contributions to defined contribution schemes	9
	<hr/> 941 <hr/> <hr/>

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2020 £000
Remuneration for qualifying services	197
Company pension contributions to defined contribution schemes	1
	<hr/> 198 <hr/> <hr/>

Directors' remuneration consists of costs recharged from the company's fellow group undertakings, Connect Managed Services (UK) Limited and G3 Comms Limited.

6 Auditor's remuneration

Audit fees are borne by a fellow group undertaking.

7 Interest receivable and similar income

	2020 £000
Interest income	
Interest receivable from group companies	1,651
	<hr/> 1,651 <hr/> <hr/>

8 Interest payable and similar expenses

	2020 £000
Interest on bank overdrafts and loans	882
Interest payable to group undertakings	73
Other interest on financial liabilities	3,037
	<hr/> 3,992 <hr/> <hr/>

PROJECT PHOENIX BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 APRIL 2020

9 Taxation

The total tax charge for the period included in the income statement can be reconciled to the loss before tax multiplied by the standard rate of tax as follows:

	2020
	£000
Loss before taxation	(2,522)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00%	(479)
Tax effect of expenses that are not deductible in determining taxable profit	208
Change in unrecognised deferred tax assets	28
Group relief	243
Taxation charge for the period	-

The Finance Act 2016 was enacted so as to reduce the corporation tax rate from 19% to 17% with effect from 1 April 2020. These rates have been used to measure deferred tax assets and liabilities where applicable. In March 2020 the Chancellor announced that tax rate would remain at 19%, however, this rate had not been substantively enacted at the reporting date and it has not been used in the measurement of deferred tax.

10 Fixed asset investments

	Notes	2020
		£000
Investments in subsidiaries	11	30,914

Movements in fixed asset investments

	Shares in group undertakings £000
Cost or valuation	
At 21 February 2019	-
Additions	30,914
At 30 April 2020	30,914
Carrying amount	
At 30 April 2020	30,914

On 19 March 2019 the company acquired 100% of the share capital of G3 Holdings Limited at cost of £19,758,220.

On 2 July 2019 the company acquired 100% of the share capital of Connect Managed Holdings Limited at cost of £11,155,599.

PROJECT PHOENIX BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 APRIL 2020

11 Subsidiaries

Details of the company's subsidiaries at 30 April 2020 are as follows:

Name of undertaking	Registered office key	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Connect Managed Holdings 1 Limited		Holding company	Ordinary	100.00	-
G3 Holdings Limited	1	Holding company	Ordinary	100.00	-
Conn3ct Limited	1	Telecommunications	Preference	-	100.00
G3 Comms Limited	1	Telecommunications	Ordinary	-	100.00
Connect Managed Services 1 (UK) Limited		Telecommunications	Ordinary	-	100.00
Connect Managed Services 2 Inc		Telecommunications	Ordinary	-	100.00
Connect Managed Services 3 GmbH		Telecommunications	Ordinary	-	100.00
Managed Connect IT Services India Private Limited	4	Telecommunications	Ordinary	-	99.99

Registered Office addresses:

- 1 8th Floor, City Place House, 55 Basinghall Street, London, England, EC2V 5DU
- 2 450 Seventh Avenue, Suite 1402, New York, NY 10123, United States of America
- 3 Nordenstrasse 62, 60318 Frankfurt am Main, Germany
- 4 Mfar Greenheart Level 7, Manyata Tech Park, Hebbal Outer Ring, Bangalore, KA 560045, India

12 Debtors

	2020
Amounts falling due within one year:	£000
Amounts owed by group undertakings	21,634
Other debtors	332
	<hr/>
	21,966
	<hr/> <hr/>

PROJECT PHOENIX BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 APRIL 2020

13 Creditors: amounts falling due within one year

	Notes	2020 £000
Bank loans	15	1,630
Amounts owed to group undertakings		2,100
Other creditors		674
Accruals and deferred income		143
		<u>4,547</u>

14 Creditors: amounts falling due after more than one year

	Notes	2020 £000
Bank loans	15	17,220
Other borrowings	15	33,635
		<u>50,855</u>

Amounts included above which fall due after five years are as follows:

Payable other than by instalments	<u>33,635</u>
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15 Borrowings

	2020 £000
Bank loans	18,850
Other loans	33,635
	<u>52,485</u>
Payable within one year	1,630
Payable after one year	<u>50,855</u>

The bank loan of £18,850,000 is secured by fixed and floating charges over the property or undertaking of the company. The bank loan is repaid bi-annually and will be repaid in full in March 2024. Interest is charged on the loan at 3.5%.

Other loans of £33,635,000 relate to 10% loan note issued by the ultimate controlling party and by key management personnel of the group, as further described in note 20. The loan notes are due for repayment in July 2025.

PROJECT PHOENIX BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 APRIL 2020

16 Retirement benefit schemes

	2020
	£000
Charge to profit or loss in respect of defined contribution schemes	9

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

17 Share capital

	2020
	£000
1 Ordinary share of £1 each	-

The Ordinary share has attached to it full voting, dividend and capital distribution (including on a winding up) rights, they do not confer any rights of redemption.

On 21 February 2019, the company issued 1 Ordinary £1 share at par for cash consideration.

18 Reserves

Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

19 Financial commitments, guarantees and contingent liabilities

A Composite Company Limited Multilateral Guarantee has been given by Project Phoenix Bidco Limited. The guarantee is in respect of Project Phoenix Topco Limited; Connect Managed Holdings Limited; Connect Managed Services (UK) Limited; Conn3ct Limited; G3 Comms Limited; and G3 Holdings Limited.

There is a Fixed Charge over all present and future freehold and leasehold property; First Fixed Charge over book and other debts, chattels, goodwill and uncalled capital, both present and future; and First Floating Charge over all assets and undertaking both present and future in favour of Santander UK Plc for all amounts owed to it.

20 Related party transactions

The company's ultimate controlling party, Apiary Capital Partners I GP LLP, purchased 10% loan notes of £26,100,204 from the company on which interest of £2,426,000 was charged in the period. Apiary Capital Partners I GP LLP purchased additional loan notes from key management personnel for £767,851 and sold loan notes to key management personnel for £1,874,000.

The group's management personnel purchased 10% loan notes of £4,658,338 from the company on which interest of £611,000 was charged in the period. Key management personnel purchased additional loan notes from Apiary Capital Partners I GP LLP for £1,874,000 and sold loan notes for £768,000. In addition, key management personnel transferred loan notes of £160,000 to the immediate parent company in exchange for shares.

PROJECT PHOENIX BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 APRIL 2020

21 Directors' transactions

10% loan notes of £4,270,111 were issued to directors during the period. During the period, the directors purchased additional loan notes of £1,873,615 from the ultimate controlling party and sold loan notes of £851,600.

*These individuals ceased to be directors during the period.

Description	% Rate	Opening balance £000	Amounts advanced £000	Interest charged £000	Transfers £000	Closing balance £000
M Cross	10.00	-	(1,083)	(93)	-	(1,176)
P J C Francis	10.00	-	(213)	(22)	20	(215)
A J Parish	10.00	-	(630)	(155)	(970)	(1,755)
A J Young	10.00	-	(1,339)	(216)	(726)	(2,281)
J N Arnold-Roberts*	10.00	-	(828)	(70)	671	(227)
A K Shah*	10.00	-	(79)	(2)	81	-
M Thompson	10.00	-	(98)	(20)	(98)	(216)
		<u>-</u>	<u>(4,270)</u>	<u>(578)</u>	<u>(1,022)</u>	<u>(5,870)</u>

22 Ultimate controlling party

The immediate and ultimate parent company and parent of the smallest and largest group for which consolidated financial statements are drawn up of which the company is a member is Project Phoenix TopCo Limited. A company incorporated in England and Wales with a registered office of 8th Floor, City Place House, 55 Basinghall Street, London, England, EC2V 5DU. Copies of the consolidated financial statements are publicly available from Companies House.

The ultimate controlling interest is held by investment funds, managed by Apiary Capital Partners I GP LLP, a company incorporated in Scotland.